

**Draft Meeting Notes**  
**Delaware's Regulation 1147 – CO<sub>2</sub> Budget Trading Program**  
**Rule Development**  
**Workgroup Meeting**  
**April 16, 2008**

**Attendees:** Ron Amirikian, David Bacher, Bob Clausen, David Corrigan, Michael Fiorentino, Paul Foster, Valerie Gray, Ryan Harry, Cathe Kalisz, Tom Lily, Art Padmore, Ravi Rangen, Chad Tolman, Stuart Widom, Jerry Wiegand

Valerie Gray welcomed the group and thanked all for attending. The group discussion covered the following items as outlined by the Agenda:

- Section 1.4 Applicability –
  - The Work Group discussed at length the merits of the Limited 10% EGU Exemption provided in the RGGI Model Rule. Premcor's representative outlined the refinery's position as to why the exemption should be retained in the Delaware Rule. The refinery's position was based upon the fact that they are both the generator and user of their power, that overall they are a net importer of power each year, and that their CO<sub>2</sub> emission rate is lower than grid based CO<sub>2</sub> because of they also produce steam. In addition, it was their belief that operations like theirs should be encouraged as a [Governor's Energy Task Force](#) recommendation is to support Distributed Generation and co-generation. The Work Group also discussed the merits of including a condition for those exempt from the rule to implement CO<sub>2</sub> mitigation program such as a requirement for a Climate Action Plan and annual reporting requirements.
- Section 5.3 Allocations –
  - The Work Group discussed potential methods for distributing the CO<sub>2</sub> allocations based upon the SCR 28 Committee recommendations for a variety of auction/allocation scenarios.
  - Also discussed was the Early Reduction Allowance option. The Conectiv representative requested the option be included and that Conectiv may chose to take advantage of the option for a project they have implemented for utilizing Landfill Gas.
  - The group discussed the merits of including the Voluntary Renewable Energy Set Aside and the Limited Industrial Exemption Set Aside. The group believed these two set asides would mostly be established by the pending legislation on RGGI auction and revenue distribution.
- **Agenda Items for May's meeting:**
  - Review revisions/updates from April's Meeting
    - Format for Delaware Register
  - Section 5.1 allocation levels
    - Once in always in
    - Shutdown units
    - Repowering
    - 10% exemption impacts
  - Section 5.3 - Methodology to allocate to sources
    - Consumer benefit Allocation
    - Early Reduction Allowances
    - Voluntary Renewable Energy Market Account
    - Limited Industrial Exemption Set-aside Account
  - Section 11 – Auction of CO<sub>2</sub> Allowances
- **Commitments:**
  - Post revised draft of Rule (rev. 3) on Rule Development website
  - Schedule date of next meeting:
    - May 21, 2008 (1-3 pm)
    - Grantham Lane Office, New Castle